

SWADESHI POLYTEX LIMITED
BALANCE SHEET AS AT 31-MARCH-2014

Particulars	Note No.	Amount as at 31- March-2014	Amount as at 31- March-2013
I. EQUITY & LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2.1	3,90,00,000	3,90,00,000
(b) Reserves & Surplus	2.2	-49,98,92,192	-53,20,26,486
		-46,08,92,192	-49,30,26,486
(2) Non-current liabilities			
(a) Other Long Term Liabilities	2.3	2,56,37,196	2,67,50,552
(b) Long-term provisions	2.4	32,00,000	32,00,000
		2,88,37,196	2,99,50,552
(3) Current liabilities			
(a) Short-term borrowings	2.5	50,80,62,321	61,00,96,745
(b) Trade payables	2.6	29,21,452	1,42,44,103
(c) Other current liabilities	2.7	14,95,21,551	13,92,79,821
		66,05,05,324	76,36,20,669
TOTAL		22,84,50,328	30,05,44,735
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
Tangible assets	2.8	13,93,218	13,59,025
		13,93,218	13,59,025
(b) Deferred Tax Assets(Net)	2.9	10,24,84,755	8,53,18,036
(c) Long-term loans and advances	2.10	1,50,28,621	88,89,967
		11,75,13,376	9,42,08,003
(2) Current assets			
(a) Inventories	2.11	6,58,50,557	6,97,47,239
(b) Trade receivables	2.12	92,53,505	12,86,00,957
(c) Cash and cash equivalents	2.13	3,40,81,977	62,99,555
(d) Short-term loans and advances	2.14	1,01,640	23,311
(e) Other current assets	2.15	2,56,055	3,06,646
		10,95,43,734	20,49,77,708
TOTAL		22,84,50,328	30,05,44,735

Significant Accounting Policies 1.0
The Notes No. 1 to 2.32 are integral part of these financial statements

As per our report of even date attached

For **Sanmarks & Associates**

Chartered Accountants

Firm Regn. No. 003343N

S.K.Bansal
Partner
M No. - 082242

P C Vaish
Director
(DIN No. 03440470)

B. Mehrotra
Director
(DIN No.03279399)

Place : Faridabad
Camp: Ghaziabad
Date :

SWADESHI POLYTEX LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDING 31-MARCH-2014

Particulars	Note No.	Year ended 31st March 2014	Year ended 31st March 2013
I. Revenue from operations	2.16	6,49,75,980	14,18,50,821
II. Other Income	2.17	83,95,797	10,95,025
III. Total Revenue (I +II)		7,33,71,777	14,29,45,846
<i>IV. Expenses:</i>			
Purchase of Stock-in-Trade		-	25,30,895
Land Development Expenses		-	57,44,738
Changes in inventories of Stock-in-Trade		38,96,682	(1,39,394)
Financial costs	2.18	3,52,28,789	12,09,08,387
Depreciation and amortization expense	2.8	64,307	38,203
Other expenses	2.19	1,92,14,424	1,55,89,487
Total Expenses		5,84,04,202	14,46,72,316
V. Profit/(Loss) before tax	(III - IV)	1,49,67,575	(17,26,470)
VI. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		(1,71,66,719)	(1,52,54,213)
VII. Profit/(Loss) from the period from continuing operations	(V-VI)	3,21,34,294	1,35,27,743
VIII. Profit/(Loss) from Discontinuing operations	2.20	-	-
IX. Tax expense of Discontinuing operations		-	-
X. Profit/(Loss) from Discontinuing operations	(VIII-IX)	-	-
XI. Profit/(Loss) for the period	(VII+X)	3,21,34,294	1,35,27,743
XII. Earning per equity share: (nominal value of Rs. 10 each (previous year Rs. 10 each))			
Basic & Diluted			
Computed on the basis of profits from continuing operations		8.24	3.47
Computed on the basis of the total profits of the period		8.24	3.47

Significant Accounting Policies

1.0

The Notes No. 1 to 2.32 are integral part of these financial statements

As per our report of even date attached

For **Sanmarks & Associates**

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S.K.Bansal

Partner

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Place : Faridabad

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Date :

SWADESHI POLYTEX LIMITED

Note No. SIGNIFICANT ACCOUNTING POLICIES & PRACTICES AND NOTES TO ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES & PRACTICES

1.1 ACCOUNTING CONCEPTS

- a) The financial statements are prepared under the historical cost convention on accrual basis of accounting as going concern and in accordance with the generally accepted accounting principles, accounting standards as prescribed under companies Accounting Rules, 2006, as applicable and the relevant provisions, rules and disclosure requirements of the Companies Act, 1956.

b) USE OF ESTIMATES

In preparing the financial statements in conformity with the generally accepted accounting principles management is required to make estimates and assumptions that may affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the amount of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period the same is determined.

1.2 FIXED ASSETS, REVALUATION OF ASSETS AND DEPRECIATION

- (a) Fixed assets are stated at their original cost of acquisition including cost of installation. MODVAT/CENVAT availed are being deducted from the cost of respective asset.
- (b) Projects under Commissioning and other Capital Works-in-Progress are carried at cost, comprising direct cost and related incidental expenses.
- (c) In case of Revaluation of Fixed Assets, the concerned asset is stated at revalued amount with the creation of Revaluation Reserve. Consequent depreciation on revalued portion of fixed assets based on the remaining useful life is being withdrawn from Revaluation reserve crediting the Profit & Loss Account.
- (d) Depreciation on Plant & Machinery and Buildings is being provided on Straight Line Method, other assets except leasehold land is provided on written down value method at the rates specified in Schedule XIV (as amended) to the Companies Act, 1956.

1.3 IMPAIRMENT OF ASSETS

- (i) The carrying amounts of fixed assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal /external factors.
- (ii) An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount and the same is recognized as an expense in the statement of Profit & Loss and Carrying amount of the asset is reduced to recoverable amount.
- (iii) Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exists or have decreased.

1.4 REVENUE

Revenue on transfer of leasehold land is recognised on the basis of transfer of rights along with the related risk and rewards to the buyer.

Sales is recognized on dispatch of goods and includes excise duty but excludes sales tax, rebate & discount allowed, as applicable and is net of return/rejections.

Similarly Interest on receivables are accounted only on the receipt or settlement of the same, which ever is earlier.

1.5 INVENTORIES

Valuation of stocks is done as mentioned below:

Raw Material and Stores & Spares	At lower of cost or Net realisable value
Work-in-Process	At cost of material included therein or net realisable value whichever is lower.
Finished Goods	At lower of cost or net realisable value
Leasehold Land held for sale	At lower of book value or net realisable value
Saleable Waste, Inventory Held for Disposal and by products	At Net estimated realisable value

- (a) Cost is arrived at using monthly weighted average method.
- (b) Cost of Finished Goods is inclusive of Excise Duty.
- (c) Cost of Leasehold hand is determined after including the expenditure incurred on the development thereof

1.6 **TAXATION**

i) Current Tax

Provision for Taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of Income Tax Act, 1961. However, where the tax is computed in accordance with the provision of Section 115 JB of the Income Tax Act, 1961, as Minimum Alternate Tax (MAT), it is charged off to the Profit & Loss Account of the relevant year.

ii) Deferred Tax

Deferred Income Tax is recognized, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income and accounting income computed for the current accounting year and reversal of earlier years' timing differences.

Deferred Tax assets are recognized and carried forward to the extent there is reasonable certainty, except arising from unabsorbed depreciation and carry forward losses which are recognized to the extent of deferred tax liabilities or there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.7 **Refunds of Taxes and Duties**

Refund claims arising out of monies paid under protest or under appeals and charged to Revenue are accounted for at the time of receipt of orders or actual refunds whichever is earlier.

1.8 **Contingent Liabilities**

Disputed liabilities and claims against the company including claims raised by fiscal authorities (e.g. Sales Tax, Income Tax, Excise etc.) except frivolous claims for which no reliable estimate can be made of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in notes to accounts.

However, present obligation as a result of past event with possibility of outflow of resources, when reliably estimable, is recognized in accounts.

2.1 SHARE CAPITAL

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
AUTHORISED		
22500000 Equity Shares of Rs 10/- each	22,50,00,000	22,50,00,000
250000 9.5% Redeemable cumulative Preference Shares of Rs 100/- each	2,50,00,000	2,50,00,000
	<u>25,00,00,000</u>	<u>25,00,00,000</u>
ISSUED , SUBSCRIBED & PAID UP		
3900000 Equity Shares of Rs 10/- each fully paid up	3,90,00,000	3,90,00,000
	<u>3,90,00,000</u>	<u>3,90,00,000</u>

Reconciliation of the no. of shares outstanding as at 31-march-2014 & 31-march-2013 is set out below:

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
No. of shares at the beginning	39,00,000	39,00,000
Add/(Less) - Shares issued/(Shares forfeited/Buy Back)	-	-
No. of shares at the end	<u>39,00,000</u>	<u>39,00,000</u>

Shares in the company held by each shareholder holding more than 5% shares

National Textile Corporation Ltd	- 33.61%
M.K.J Enterprises Ltd	- 12.47%
Selecto Pac Private Ltd.	- 8.80%
Paharpur Cooling Towers Pvt Ltd.	- 7.50%
Doy Pac Systems Pvt Ltd.	- 7.11%

The rights, preferences and restrictions attached to each class of shares:

The company has issued only one class of Equity Shares having the par value of Rs 10/- per share. Each shareholder is entitled to one vote per share.

2.2 RESERVES & SURPLUS

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Capital Reserve		
Opening Balance	5,06,250	5,06,250
Add - Additions/(deletions) made	-	-
Closing Balance	<u>5,06,250</u>	<u>5,06,250</u>
Revaluation Reserve		
Opening Balance	6,22,835	6,22,835
Add - Additions made	-	-
Less - Deletions in respect of sale of revalued assets	-	-
Closing Balance	<u>6,22,835</u>	<u>6,22,835</u>
Capital Redemption Reserve		
Opening Balance	1,09,75,000	1,09,75,000
Add - Additions/(deletions) made	-	-
Closing Balance	<u>1,09,75,000</u>	<u>1,09,75,000</u>
Surplus		
Opening Balance	-71,12,00,152	-72,47,27,895
Add - Profit/(Loss) during the year	3,21,34,294	1,35,27,743
Closing Balance	<u>-67,90,65,858</u>	<u>-71,12,00,152</u>
General Reserve		
Opening Balance	16,70,69,581	16,70,69,581
Add - Additions/(deletions) made	-	-
Closing Balance	<u>16,70,69,581</u>	<u>16,70,69,581</u>
Total	<u><u>-49,98,92,192</u></u>	<u><u>-53,20,26,486</u></u>

2.3 Other Long Term Liabilities

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Other Payables :		
- due to personnel	2,56,37,196	2,67,50,552
Total	2,56,37,196	2,67,50,552

2.4 LONG TERM PROVISIONS

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Others :		
- Provision for Contingencies	32,00,000	32,00,000
Total	32,00,000	32,00,000

2.5 SHORT TERM BORROWINGS

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
(a) Loan From Other Parties :-		
* - Secured Loan from a Body Corporate	24,87,19,825	35,07,54,249
	24,87,19,825	35,07,54,249
(b) Loans from related parties :		
* - Secured Term Loan from a Body Corporate	23,63,20,999	23,63,20,999
- Unsecured Demand Loan (Interest free) from a Body Corporate	2,30,21,497	2,30,21,497
	25,93,42,496	25,93,42,496
Total	50,80,62,321	61,00,96,745

* Rupee term loans are secured by way of pari-passu negative lien on the land & building situated at Kavi Nagar, Ghaziabad, UP.

F Details of the default amount is as follow :

(i) Loan from related Party - Principal Rs. Nil (Previous Year Rs. 23,63,20,999) , Interest Rs. 1,27,17,827 (Previous Year Rs. 82,99,483)

2.6 Trade Payables

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Short Term		
Other Creditors	29,21,452	1,42,44,103
Total	29,21,452	1,42,44,103

2.7 OTHER CURRENT LIABILITIES

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Interest accrued but not due on borrowings	9,36,041	-
Interest accrued & due on borrowings	1,27,17,827	12,47,99,505
Amount received against transfer of Plots leasehold rights	12,60,79,700	-
Other Payables :		
- Statutory Dues	89,97,983	1,09,18,532
- Retention Money Payable	7,90,000	35,61,784
Total	14,95,21,551	13,92,79,821

2.9 DEFERRED TAX ASSETS (NET)

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Deferred tax asset due to:		
a) Provision for doubtful debts and advances	16,33,526	1,57,91,199
b) Provision for Contingencies	10,38,240	10,38,240
c) Expenditure allowable u/s 40(a)(ia)	-	1,37,408
d) Unabsorbed Depreciation & Carried forward losses	10,01,94,111	6,87,43,947
Deferred tax liability due to:		
a) Depreciation	3,81,122	3,92,758
TOTAL	10,24,84,755	8,53,18,036

2.10 LONG TERM LOANS & ADVANCES

(Unsecured , considered good unless otherwise stated)

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Other Loans & Advances :		
- Tax deducted at Source	33,35,080	2,62,515
- Balance with excise authorities	21,512	21,512
- Loan to officers of the Company	50,00,000	25,00,000
- Statutory dues deposited under Protest	68,75,037	63,08,948
Less : Excise duty provision	-2,03,008	-2,03,008
	1,50,28,621	88,89,967
- Doubtful Loans & Advances		
- Balance with excise authorities	21,91,133	21,91,133
- Claims Recoverable	28,43,621	28,43,621
Less - Provision for doubtful advances	-50,34,754	-50,34,754
	-	-
Total	1,50,28,621	88,89,967

2.11 INVENTORIES

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Leasehold Plot Rights	6,58,50,557	6,97,47,239
Total	6,58,50,557	6,97,47,239

2.12 TRADE RECEIVABLES

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Short Term trade Receivables (Unsecured, considered good unless otherwise stated)		
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered Good	92,53,505	2,38,64,235
- Considered Doubtful	-	4,36,35,916
	92,53,505	6,75,00,151
Less : Provision for doubtful debts	-	4,36,35,916
	92,53,505	2,38,64,235
Others Receivables	-	10,47,36,722
	-	10,47,36,722
Total	92,53,505	12,86,00,957

2.13 CASH & BANK BALANCES

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Cash & Cash Equivalents		
Balances with Banks		
- On Current accounts	54,36,457	37,67,686
- Deposit with original maturity of less than three months	2,61,96,664	-
Cash on hand	24,48,856	14,78,401
Other Bank Balances		
- Deposit with original maturity of more than three months	-	10,53,468
Total	3,40,81,977	62,99,555

2.14 SHORT TERM LOANS & ADVANCES

(Unsecured , considered good unless otherwise stated)

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Security Deposits	15,000	15,000
Advance recoverable from others	86,640	8,311
Total	1,01,640	23,311

2.15 OTHER CURRENT ASSETS

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
- Prepaid expenses	-	6,000
- Interest accrued	1,07,702	1,52,293
- Recoverable from SPL trust	1,48,353	1,48,353
Total	2,56,055	3,06,646

2.16 Revenue From Operations

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Revenue from sale of lease plot rights	6,49,75,980	13,92,12,220
Trading Sale	-	26,38,601
Total	6,49,75,980	14,18,50,821

2.17 Other Income

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Interest Income		
On deposits with Banks (TDS Rs. 4,09,320) (Previous Year 87,889/-)	40,47,461	4,72,336
Others	6,87,293	13,534
Liabilities/Provisions no longer required written back	13,69,418	5,79,855
Miscellaneous Income	22,91,625	29,300
Total	83,95,797	10,95,025

2.18 Financial Cost

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Interest On borrowings(Net) (Refer note no. 2.25)	3,46,15,864	11,99,37,660
Interest Others	6,12,925	9,70,727
Total	3,52,28,789	12,09,08,387

2.19 Other Expenses

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Legal & Professional Expenses	87,02,799	72,80,664
Conveyance & Travelling Expense	40,81,339	33,77,913
Fees to Stock Exchange	30,337	34,153
Security Expenses	27,19,655	25,14,049
Power & Fuel	4,60,465	3,71,801
Repair Others	1,15,539	78,878
Business Promotion	9,28,977	-
Rates & Taxes (excluding tax on income)	3,67,691	1,69,447
Directors' Sitting Fees	3,70,000	2,74,944
Payment To Auditors as:	-	-
Audit Remuneration	1,96,630	2,23,484
Tax Matters	44,944	33,708
Reimbursement of expenses	32,221	23,570
Communication Expenses	2,30,349	2,23,592
Advertisement	2,42,919	89,853
Printing & Stationary	1,73,931	1,61,464
Other Expenses	5,16,628	7,31,967
Total	1,92,14,424	1,55,89,487

2.20 Profit/(Loss) from discontinuing operations

In view of the Economic/Financial non-viability and on-going labour problems etc., the Company had discontinued its operations of manufacturing of Polyester Fibres and Chips in the earlier year. In previous years, company had entered into a sale agreement for disposal of its entire Plant & Machinery and Building related to the discontinued operations and sold the significant part thereof. The unsold part has been shown as Building held for disposal in note no. 2.8.

The following statement shows the revenue and expenses of the discontinuing operations:

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Revenue		
Liabilities/Provisions no longer required written back	4,36,35,916	-
	4,36,35,916	-
Expenses		
Bad Debts Written Off	4,36,35,916	-
	4,36,35,916	-
Profit/(Loss) from discontinuing operations	-	-

The carrying amount of total assets and liabilities to be disposed off at 31st March are as follows. Comparative information for the discontinuing operations is included in accordance with AS-24, Discontinuing Operations:

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Total Assets	1,29,67,417	3,00,10,405
Total Liabilities	32,00,000	34,03,008
Net Assets	97,67,417	2,66,07,397

Total assets includes fixed assets for which binding sale agreements have been entered into as of 31st March 2014 and are likely to be settled by 31st March 2015.

The net cash flows attributable to the discontinuing operations are as below:

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Operating activities	-	-1,87,67,346
Investing activities		
Net Cash inflows/(outflows)	-	-1,87,67,346

2.21 **Contingent Liabilities & Commitments (To the extent not provided for)**

Claims against the Company not acknowledged as debts including excise, sales tax, Income Tax, Labour Disputes, Legal and other Disputes Rs. 8,42,21,964 Previous year Rs. 8,72,25,982).

	Current Year	Previous Year
(a) PF Cases pending at various forums	2,00,02,286	2,00,02,286
(b) Labour Matters relating settlement pending at various forums	16,46,109	56,12,277
(c) Revenue collection charges by Tehsil & other authorities pending at Hon'able High Court	2,09,46,436	1,99,84,286
(d) Sales tax demand pending at various forums	1,49,37,402	1,49,37,402
(e) Excise demand for unauthorised removal of goods pending with CESTAT	1,65,21,748	1,65,21,748
(f) Other Matters	1,01,67,983	1,01,67,983

2.22 Information pursuant to AS 29, " Provisions, Contingent Liabilities and Contingent Assets issued by ICAI:

Brief particulars of provisions on disputed liabilities and old assets :-

Particular of Provisions	Opening	Made during the year	used/ Reversed during the year	Closing
Provision for Contingencies	32,00,000	-		32,00,000
	(32,00,000)	-		-
				(32,00,000)

(i) Provisions are made herein for medium risk oriented issues including old assets as a measure of abundant precaution.

(ii) Company presumes remote risk possibility of further cash outflow pertaining to contingent liabilities listed in note 2.21 above

2.23 Based on the confirmations from the suppliers, who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006, received so far with the company, no balance is due to Micro & Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March 2014. Further during the year no interest has been paid or payable under the terms of the said Act.

2.24 Balances appearing for few inoperative bank accounts, Trade Receivable and Payables, loans & advances and Short term unsecured borrowing are subject to confirmation, reconciliation and adjustments, if any.

2.25 During the year company has signed a Memorandum of Understanding concluding the renegotiation proceedings with both the secured lenders and necessary accounting effect arising out of the same has been shown under the Interest on borrowings in the note 2.18 of financial cost. Independent year end confirmations are awaited from the lenders.

2.26 Company has started developing the Plots as per the approved plan of UPSIDC and accordingly has incurred an expenditure of Rs. 19,70,444 (excluding write back of Rs. 31,37,718) (Previous year Rs. 57,44,738), which is allocated proportionately on the saleable area and unallocated portion made a part of stock in Trade.

2.27 Related Party disclosure in accordance with the Accounting Standard-18, issued by the Institute of Chartered Accountants of India is given below:

(1) Associates : National Textile Corporation Ltd. (Holding more than 20% shareholding in the company)

Nature of Transactions :

Unsecured Loan taken and outstanding as on 31.03.2014 : Rs. 2,30,21,497 (Previous Year Rs. 2,30,21,497)

(2) Associates : Paharpur Cooling Towers Ltd. (Holding indirectly more than 20% shareholding in the company)

Nature of Transactions :

Reimbursement for various expenses	: Rs. 33,34,098	(Previous Year Rs.17,98,646/-)
Unsecured Loan repaid	: Rs. Nil	(Previous Year Rs. NIL)
Interest net off reversal on MOU	:(Rs. 5,40,62,485)	(Previous Year Rs.11,72,28,528/-)
Secured Loan repaid	: Rs. Nil	(Previous Year Rs.NIL)
Outstanding Balance as on 31.03.2014		
Secured Loan Taken	: Rs. 23,63,20,999	(Previous Year Rs. 23,63,20,999/-)
Interest Accrued & Due on 31.03.2014	: Rs. 1,27,17,827	(Previous Year Rs. 11,43,33,929/-)
Interest Accrued & Not Due on 31.03.2014	: Rs. 4,91,255	(Previous Year Rs.NIL)

2.28 Considering the development agreement and the provisions as specified in the Accounting Standard-22 "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India, the company has recognised Deferred Tax assets (DTA) based on the principle of virtual certainty.

2.29 The Company has claimed losses in the return filed for subsequent years till Assessment years 2013 – 2014 and is of the view that the same will be available for set off against future profits. In view of the losses and unabsorbed depreciation and based on the legal opinion obtained by the company, no provision for tax has been considered necessary in the accounts.

2.30 Segment Information

The primary segment reporting format is determined to be the business segment as the company's risks and rate of return are affected predominantly by difference in business line. Based on these lines, company has identified Trading of fabric , Sale of leasehold plots rights and discontinued business as business segments. The details of the segment revenue, expenses, assets, liabilities and capital employed are given here under:

Particulars	Current year ended (31/03/2014)				Previous year ended (31/03/2013)			
	Real Estate	Trading	Discontinuing Operations	Total	Real Estate	Trading	Discontinuing Operations	Total
Segment Revenue								
Real Estate	6,49,75,980	-	-	6,49,75,980	13,92,12,220	26,38,601	-	14,18,50,821
Total	6,49,75,980	-	-	6,49,75,980	13,92,12,220	26,38,601	-	14,18,50,821
Less: Inter Segment revenue	-				-			
Net Sales/Income from Operations	6,49,75,980	-	-	6,49,75,980	13,92,12,220	26,38,601	-	14,18,50,821
Segment Results Profit/(Loss) before tax and interest	6,10,79,298	-	-	6,10,79,298	13,36,06,876	107707	-	13,37,14,583
Less:								
Finance Cost	-			-3,46,15,864	-			-11,99,37,660
Unallocable expenditure(including exceptional items)	-			-1,98,91,656	-			-1,65,98,417
Unallocable income(including exceptional items)	-			83,95,797	-			10,95,025
Total Profit/(Loss) before Tax				1,49,67,575				-17,26,469
Capital Employed (Segment Assets less Segment Liabilities)								
Total Capital Employed in segments	-2,98,36,312	-	-	-2,98,36,312	16,42,30,101	26,38,601.00	2,66,07,397	19,34,76,100
Add: unallocable corporate assets less liabilities				-53,35,40,635				-77,18,20,621
Total Capital Employed in the company				-56,33,76,947				-57,83,44,521

2.31 The figures reported in financial statements have been rounded off to the nearest rupee and have been regrouped and rearranged where ever necessary.

2.32 Information regarding Goods Traded

PARTICULARS	OPENING		PURCHASE		SALES		CLOSING	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Lease Plots rights (Qty in SQM)	1,99,108.30	6,97,47,239	-	-	7923.9	6,49,75,980	1,91,184.40	6,58,50,557
	(216084.8)	(69607845)	(-)	(-)	(16976.5)	(13,92,12,220)	(199108.3)	(69747239)
Fabric	-	-	-	-	-	-	-	-
	(-)	(-)	(41724 Mtr)	(25,30,895)	(41724 Mtr)	(26,38,601)	(-)	(-)

Note: Figures in brackets represent previous year figures

As per our report of even date attached
For **Sanmarks & Associates**
Chartered Accountants
Firm Regn. No. 003343N

S.K.Bansal
Partner
M No. - 082242

P C Vaish
Director
(DIN No. 03440470)

B. Mehrotra
Director
(DIN No.03279399)

Place : Faridabad
Camp: Ghaziabad
Date :

SWADESHI POLYTEX LIMITED
NOTE 2.8 Fixed Assets

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 31.03.2013	Additions during the year	As at 31.03.2014	Up to 31.03.2013	For the year	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
Plant and Machinery	4,30,149	14,000	4,44,149	48,150	24,378	72,528	3,71,621	3,81,999
Furniture & Fixtures	24,37,610	-	24,37,610	23,15,530	5,093	23,20,623	1,16,987	1,22,080
Computers	1,57,496	84,500	2,41,996	1,23,563	34,836	1,58,399	83,597	33,933
Vehicles	1,06,058	-	1,06,058	1,00,756	-	1,00,756	5,302	5,302
Total(A)	31,31,313	98,500	32,29,813	25,87,999	64,307	26,52,306	5,77,507	5,43,314
Building Held for Disposal (B)	8,15,711	-	8,15,711	-	-	-	8,15,711	8,15,711
Assets Held for Disposal (C)	8,15,711	-	8,15,711	-	-	-	8,15,711	8,15,711
Grand Total (A+C)	39,47,024	98,500	40,45,524	25,87,999	64,307	26,52,306	13,93,218	13,59,025
Previous year	38,73,277	73,747	39,47,024	25,49,796	38,203	25,87,999	13,59,025	13,23,481

SWADESHI POLYTEX LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

Particulars	Year Ended 31 March 2014	Year Ended 31 March 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	1,49,67,575	(17,26,470)
Adjustment for :		
Provisions no longer required written back		
Interest Expenses	3,46,15,864	11,99,37,660
Credit Balances written back	(13,69,418)	(5,79,855)
Interest Income	(47,34,754)	(4,85,871)
Depreciation	64,307	38,203
Operating Cash before working capital changes	4,35,43,574	11,71,83,667
Adjustment for :		
(Increase)/Decrease in Long Term Loans & Advances	(30,66,089)	(9,916)
(Increase)/Decrease in Short Term Loans & Advances	(78,329)	65,077
Increase/(Decrease) in Other Long Term Liabilities	(11,13,356)	(3,63,720)
Increase/(Decrease) in Other Current Liabilities	12,13,87,367	(1,87,34,837)
(Increase)/Decrease in Other Current Assets	50,591	(1,07,170)
(Increase)/Decrease in Inventory	50,64,056	(1,39,394)
Increase/(Decrease) in Trade Payables	(1,13,22,651)	(1,02,13,452)
(Increase)/Decrease in Trade Receivables	11,93,47,452	(9,28,59,831)
Cash Generated from Operation	27,38,12,616	(51,79,576)
Direct Tax Paid/(Refund)	30,72,564	(41,497)
Net Cash Flow from Operating Activities	27,07,40,052	(51,38,079)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	98,500	73,747
Sale of Fixed Assets	-	-
Interest Received	(47,34,754)	(4,85,871)
Net Cash used in Investing Activities	(46,36,254)	(4,12,124)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Payment of Short Term Borrowings	10,20,34,424	-
Payment of Long Term Borrowings	-	-
Proceeds from Short Term Borrowings	-	-
Interest Paid	14,55,59,460	1,19,93,765
Net Cash used in Financing Activities	24,75,93,884	1,19,93,765
Net Increase/(Decrease) in Cash and Cash Equivalents (A-B-C)	2,77,82,421	(1,67,19,720)
Cash and Cash Equivalent at the Beginning of the Year	62,99,556	2,30,19,276
Cash and Cash Equivalent at the End of the Year	3,40,81,977	62,99,556

COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash in hand	24,48,856	14,78,401
Cheque/Draft in Hand	-	-
Balance with Banks		
- Current Accounts	54,36,457	37,67,686
- Deposit Accounts	2,61,96,664	10,53,468
Total Cash and Cash Equivalents (Note 2.13)	3,40,81,977	62,99,556

For and on behalf of the Board

As per our report of even date attached

For **Sanmarks & Associates**

Chartered Accountants

Firm Regn. No. 003343N

S.K.Bansal

Partner

M No. - 082242

P C Vaish

Director

(DIN No. 03440470)

B. Mehrotra

Director

(DIN No.03279399)

Place : Faridabad

Camp: Ghaziabad

Date :